



DEPARTMENT OF CONSERVATION

OFFICE OF MINE RECLAMATION

801 K STREET • MS 09-06 • SACRAMENTO, CALIFORNIA 95814

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NOTICE

May 16, 2006

TO: ALL MINE OWNERS

SUBJECT: MINING OPERATION ANNUAL REPORT FOR THE 2005 REPORTING PERIOD

Enclosed you will find the Mining Operation Annual Report form (annual report) for the 2005 reporting period and instructions for filling out the annual report form. Pursuant to Public Resources Code (PRC) Section 2207(a), an annual report must be completed and filed with the Department of Conservation (Department) and your applicable Surface Mining and Reclamation Act (SMARA) lead agency by July 1, 2006.

Additionally, pursuant to the 2005 Fee Schedule (California Code of Regulations, Title 14, Division 2, Chapter 8, Section 3695 *et seq.*) adopted by the State Mining and Geology Board, your annual reporting fee is also due by July 1, 2006. Late payment of the annual reporting fee will result in the assessment of a penalty of not less than \$100 or 10 percent of the amount due, whichever is greater, plus interest at the rate of 1 1/2 percent per month (PRC Section 2207(d)). Regardless of how you manage or conduct your mining operation, an annual report and applicable reporting fees must be submitted for each mining operation.

The Department's Office of Mine Reclamation (OMR) periodically publishes a list of mining operations that meet the requirements of PRC Section 2717(b). This list is generally referred to as the AB 3098 List, in reference to the 1992 legislation that established it. Sections 10295.5 and 20676 of the Public Contract Code prohibit state agency purchases of mined materials produced by mining operations that are not included on the AB 3098 List. These statutes also prohibit the sale of such materials to local government agencies, including contractors doing work on behalf of, or by contract with, any local agency. Failure to submit an annual report and applicable reporting fees by July 1, 2006 will result in the removal of your mining operation from the AB 3098 List and may also result in the assessment of administrative penalties.

Regarding the contents of your annual report, please note the following. If you have previously submitted the appropriately marked U.S. Geological Survey map, a copy of your approved reclamation plan with proof of SMARA lead agency approval, and a copy of the approved financial assurance(s) with proof of SMARA lead agency approval, you do not have to send additional copies of these items with your annual report. However,

you must still submit any remaining required attachments and any revisions or amendments to previously submitted documents.

Since 1991, the annual report form has contained "no change" (N.C.) boxes for specific requested information. If your previous reports have indicated "no change" for a number of years, please review the last complete report to confirm that the information has not changed.

For the 2005 reporting year, the Department has added fields for operators to report gold and silver production on Page 3 of the annual report form. By including gold and silver production information on the annual report form and paying the applicable reporting fees, operators no longer need to submit the previous Gold and Silver Report form (AMLU-01).

Beginning with the 2005 reporting period, the Department has discontinued use of the multicolored carbonless copy version of the annual report form. As you will see, the annual report form is now printed on standard white paper. The annual report form is to be filled out in the same manner as in previous years, with one notable exception. This year, there are two copies of Page 3. The first copy of Page 3 should be completely filled out, along with Page 1 and Page 2, and mailed to the Department. The second copy of Page 3 (containing the blacked out production section) is to be filled out, along with Page 1 and Page 2, and mailed to your SMARA lead agency.

For your ease of access and use, the annual report form is now available electronically in a "fill and print" version (i.e., Adobe Acrobat PDF file format) on the Department's website at:

www.consrv.ca.gov/OMR/reporting_compliance/MRRC-2.pdf

If you are unable to access the annual report form via the Department's website at the location listed above, please contact OMR at (916) 323-9198.

A completed 2005 annual report form, required attachments, and appropriate annual reporting fee -- in the form of a check or money order made payable to the Department of Conservation/OMR -- must be mailed to:

Department of Conservation
Office of Mine Reclamation
801 K Street, MS 09-06
Sacramento, CA 95814-3529

If you have any questions, need additional report forms, or would like clarification regarding the annual reporting requirements, please contact our office at the above address or call (916) 323-9198.

cc: Designated Agent